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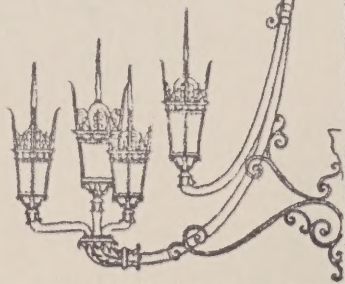
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HOUSING DEVELOPMENT POLICY

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## HOUSING DEVELOPMENT POLICY

Proposals for changes in housing development policy and related tax abatement policy can be reviewed in the light of (1) the Mayor's housing development program, as an expression of the needs and goals, (2) the relevant facts and figures on the City's housing, population, tax revenue needs, and Boston's economy, and (3) the adequacy of established instruments and procedures for adopting policies and measures, including the role of the City's planning agency.

### I. The Mayor's Housing Development Program as an Expression of Needs and Goals

In his Inaugural Address, on January 3, 1972, the Mayor stated, "We need 20,000 units of low-income and elderly housing, - 50,000 units of middle- and upper-income housing. We cannot tolerate dilapidated housing in the shadow of a bold new skyline."

This statement of needs and goals reflects a balanced three-phased housing development policy and program, dealing with (i) low and moderate income housing, - public-aided programs, (ii) middle and upper income housing, - private sector development, and (iii) upgrading of the existing housing stock. A review of housing policy should take note of the goals and dimensions of this program, which are summarized below.

#### A. Low and Moderate Income Housing; Public-Aided Programs

Since the initiation of housing subsidy programs in the 1930's, 30,000 public-aided dwelling units have been built in Boston for the elderly, and for low and moderate income families. This is equal to almost 15 percent of the City's housing stock, - a far higher proportion than that in the metropolitan area suburban ring. A number of housing projects for the elderly and for low-income families





are presently under construction and in the advanced planning stage. A recent study for the Model City Agency indicated a need for an additional 15,000 public-aided housing units for low-income families and for the elderly. This information and related analyses suggest the appropriateness of a goal of 20,000 public-aided new housing for the elderly and low- and moderate-income families over the next 10 years.

B. Middle and Upper Income Housing; Private Sector Development

Our analyses indicate a large prospective demand for new middle- and upper-income housing, flowing from the shift of the City's households to higher income levels, and the desire of many suburbanites to live in the City in which they work. Our analyses further highlight the importance of attempting to achieve a housing supply response, by the private building sector, to this demand. Our analyses suggest a net new demand for upwards of 50,000 middle- and upper-income dwellings over the next 10 years. Of this, 40,000 dwellings could be provided by new construction and, perhaps, 10,000 dwellings through rehabilitation and upgrading. Correspondingly, some 40,000 dwellings in obsolescent conditions, and in quality and price ranges which will be experiencing a diminishing demand, would be demolished through the normal operation of the private housing market.

We have identified the location of this net new demand, by planning district, and are presently studying the availability of vacant and under-utilized land for housing development.

An ambitious housing development program can be mounted, combining a private sector construction role with a public sector planning role, including the planning of public facilities.







A proposed housing development program would be integrated with neighborhood development strategies.

Much of the demand for new housing is in core area neighborhoods of Boston and can take advantage of vacant and underutilized land.

The private housing development effort needed will require strong public sector support, - in planning, in public facilities, and in land assembly, especially. This effort will go a long way toward making it possible for a middle class to live in Boston.

### C. Upgrading of the Existing Housing Stock

BRA and the Mayor's Office are presently engaged in putting together a formidable program for the upgrading of the existing housing stock of the City, involving the following program elements.

#### 1. Housing Rehabilitation

Thus far, 8,000 dwelling units have been rehabilitated, and an additional 12,000 dwelling units in urban renewal project areas needing rehabilitation have been identified. There are an additional estimated 10,000 dwelling units outside of urban renewal project areas susceptible to rehabilitation. "Project Rehab", a consortium undertaking, is a recently proposed ambitious project. In addition, there may be a need for financing and tax abatement incentives for housing rehabilitation, along the lines suggested by CHAPA.

#### 2. Code Enforcement

Code enforcement programs are underway in several areas, and a code enforcement information system has been established which will identify each dwelling unit in the City with code violations.





### 3. Early Acquisition and Disposition of Tax Delinquent and Abandoned Housing

New legislation now makes possible the early acquisition and disposition of tax delinquent and abandoned housing, and a program for this purpose is being mounted. Several thousand dwelling units are involved.

All of these elements, of course, must be integrated with neighborhood development strategies.

## D. Boston's Urban Redevelopment Program

### 1. Urban Renewal Project Area Development

The federally financed urban renewal program of the 1950's and 1960's is at a mature stage, with some project area programs completed, some underway, and others in the advanced planning state. Under this program, some 6,500 dwelling units have been built, or are under construction, and 14,000 are planned to be erected over the next few years. Some 8,000 dwelling units have been rehabilitated and another 12,000 have similar needs. There is little likelihood, on the other hand, that, in Boston, the near future will see new federally-financed large scale urban renewal projects of the old type involving early land clearance and delayed development. The recognition of "Planners' blight", - the impact on urban areas of the announcement of large-scale redevelopment -, as well as the scarcity of federal funds for urban renewal, suggest there is little new future for old-style urban renewal.

### 2. "New Style" Urban Development

Urban redevelopment in Boston, in fact, is on the threshold of a new and different approach. The new approach recognizes that the City has given special attention to key





areas affected by the impact of urban decay, and that, though this job has not yet been completed, much has been done making it possible to focus on additional aspects of the the City's urban development needs.

a. Large-Scale, Privately Financed, Urban Redevelopment.

There is the new emphasis on large scale, privately financed urban redevelopment, of the "Park Plaza" project type.

b. Multi-Use Urban Redevelopment Projects

There are large multi-use urban redevelopment projects with specifically identified future multiple uses. These include the South Station project.

c. Mini-Neighborhood Development Projects

There are mini-neighborhood development projects underway and in the planning stage.

d. City Core Development Strategy

There is the work presently underway on the formulation of a "City Core" development strategy.

e. New Community Development

There is the potential for a new-town-in-town which is being explored.

f. Neighborhood Development Planning

Perhaps the largest urban development need lies in the formulation of planning strategies for Boston's neighborhoods.





Substantive, meaningful neighborhood district planning will involve centrally determined priorities on public facilities, public services, and urban development needs, though neighborhood community conceptions are important to know.

g. Community Development Planning for the City as a Whole

In summary, Boston is evolving from "urban renewal project area planning" to "city-wide community development planning". This reflects not only the changing needs and priorities of the City of Boston, but is more closely attuned to the prospective evolution of federal funding, from categorical aid to block grants, giving some flexibility to the cities to determine their priorities and needs.

II. Relevant Facts and Figures on Boston's Economy, Population and Housing, and Tax Revenue Needs

There are two Bostons. There is the Boston which is a producer of goods and services, creator of jobs, and generator of income; this Boston has done well over the past decade with sizable growth in jobs and income generated, and prospects for the 1970's are good. There is the Boston which is a place to live, with a population and housing needs; both the population and their housing were significantly upgraded in the 1960's, though achievements lagged behind needs and goals, and the City suffered a continued though reduced population loss, partly because new housing construction did not meet the growth in demand. The two Bostons are inter-related; the prospect for new growth in jobs and income will enhance the possibility for further significant upgrading of the population, if an adequate housing supply response to rising demand can be achieved. Conversely, without substantial new housing and public facilities, Boston's jobs prospect will be inhibited. Boston's needs





for new tax revenue will be large, and must be obtained through fundamental tax reform, at the Federal and State levels, so that Boston can draw directly and indirectly on the expanding income and sales tax revenue which its economy is generating for the U.S. government and the Commonwealth. Marginal savings through denial of abatement incentives will hardly accommodate Boston's revenue needs, and may foreclose the process of revitalization of the City. Boston's neighborhoods are in transition, a major goal in poverty neighborhoods of reduction of the concentration of disadvantaged population and elimination of the worst conditions of blight has been attained, and several major neighborhoods suffering decay have been turned around. While problems of blight remain, they are susceptible to accommodation in an ambitious program and process of urban redevelopment replacing and renovating obsolescent structures and upgrading of the population.

#### A. The Economy

Boston did relatively well in the past decade. What had earlier been a center of manufacturing and trade emerged as a center of high-grade service activities. Since 1963, Boston gained 55,000 service activity jobs, - more than offsetting a loss of 15,000 manufacturing jobs. The production of goods and services increased by one-third, and Boston is now a \$10 billion economy with more than 500,000 jobs. Part of Boston's labor force, however, with inadequate skills and education, has not been able to take full advantage of the expanding job opportunities. In-commuters now make up more than one out of every two jobs in the City, and their share has been rising. Net new construction of 7 million square feet of office space in the 1960-70 decade increased the City's supply of office space by 40 percent, facilitating the growth of high-grade service activity jobs. The City's retail space increased by 4 million square feet, a growth of 20 percent, to accommodate burgeoning demand reflecting the rise of income levels and the role of in-commuters.





The recent growth and transformation of Boston's economy into a high-grade service activity center, taken together with prognoses for the national economy and the metropolitan region, suggest further gains for the City are in prospect. Boston has a specialization in those service activities that are growing rapidly in the Nation. In the 1970-80 decade, Boston may experience a growth of upwards of 75,000 net new jobs and a one-third increment (a gain of more than \$3 billion) in the production of goods and services. More than 12 million square feet of office space construction is underway or planned to absorb the expected growth in office jobs. The newly legislated Economic Development and Industrial Corporation will help stem the loss in manufacturing jobs. There will be a substantial increase in job in-commuting.

#### B. The Population

Boston's population was upgraded as the City's economy improved. In the course of the 1960-70 decade, Boston's households experienced a one-fourth growth in real income levels (adjusted for the rise in prices). There were significant gains also in educational attainment and the occupational skills of the labor force. There was a reduction of the concentration of population in poverty neighborhoods. In the second half of the decade there was a relative stabilization of the population with a 10-year loss of 7 percent less than half that of the 1950's. Most of the loss was concentrated in poverty areas in transition. Population was relatively stable in older ethnic neighborhoods, and rose in suburban type neighborhoods, and those with young singles, young marrieds and the elderly.

The growth in better paying jobs, and the enhancement of Boston as a place to live, may bring about a small growth in Boston's population in the 1970's. In place of the last decade's 7 percent population loss, a gain of perhaps 5 percent, - some 30,000 persons -, may be expected in the present decade. Boston's population in the 1970's may have levels of income one-third higher, and will include some who have returned to the City from the suburbs. Education





levels will be higher and occupational skills greater. There will be a continuing problem of adapting the less-privileged labor force to the emerging job opportunities.

### C. Housing

There was a significant upgrading of the City's housing, in the 1960-70 decade, though new construction and rehabilitation lagged behind demand and needs. More new construction (22,000 dwelling units) was achieved than in any recent decade. Eight thousand dwellings were rehabilitated, and 20,000 dwelling units, mainly sub-standard, were demolished, removing the equivalent of almost one-tenth of the City's housing stock.

The upward shift of households to higher income levels was accompanied by a reduction in housing stock of poorer quality and increase in new housing supply of higher quality. See attached chart. Demand for residential property in Boston, as expressed in the growth of residential property values over the past 15 years, compares favorably with that in Boston's suburban communities. In core area neighborhoods of Boston, the growth in residential property values exceeds that of many suburban communities.

There will be large needs for improving the existing housing stock, and an important opportunity for substantial new housing construction to satisfy the demand of households with rising levels of income.

Population densities may grow moderately in neighborhoods with young singles, young marrieds, and the elderly, as well as in suburban type neighborhoods, and neighborhoods in transition. Population in older ethnic neighborhoods may be relatively stable.

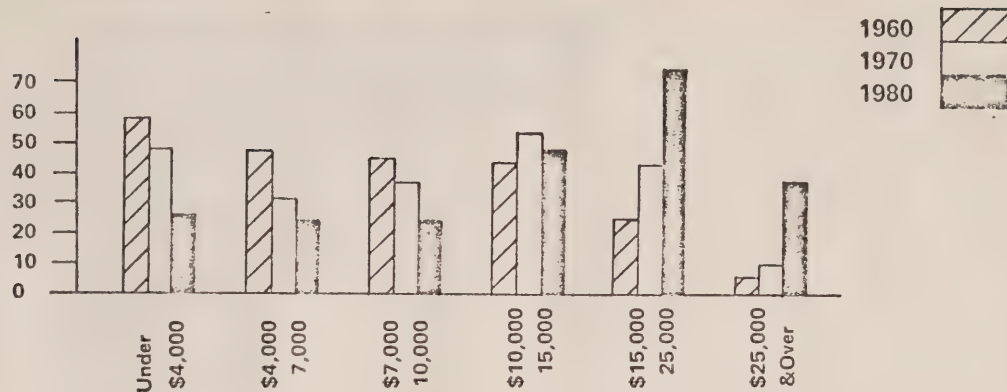




# RISE IN HOUSEHOLD INCOME LEVELS AND UPGRADING OF HOUSING DEMAND IN THE CITY OF BOSTON 1960-70 ACTUAL AND 1970-80 PROJECTED

## DISTRIBUTION OF HOUSEHOLDS BY INCOME CLASS

NUMBER OF  
HOUSEHOLDS  
(THOUSANDS)



(DOLLARS OF CONSTANT VALUE AT 1970 PRICES)

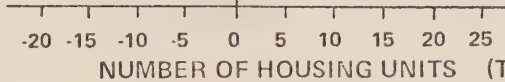
## CHANGES IN DEMAND FOR HOUSING BY MONTHLY RENT CLASS EQUIVALENT

MONTHLY  
RENT CLASS  
EQUIVALENT  
(DOLLARS OF  
CONSTANT VALUE  
AT 1970 PRICES)

1960-70  
ACTUAL

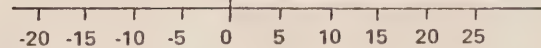
DECREASE INCREASE

UNDER \$80  
\$81-\$95  
\$96-\$110  
\$111-\$155  
\$156-\$255  
\$256 & OVER



1970-80  
PROJECTED

DECREASE INCREASE



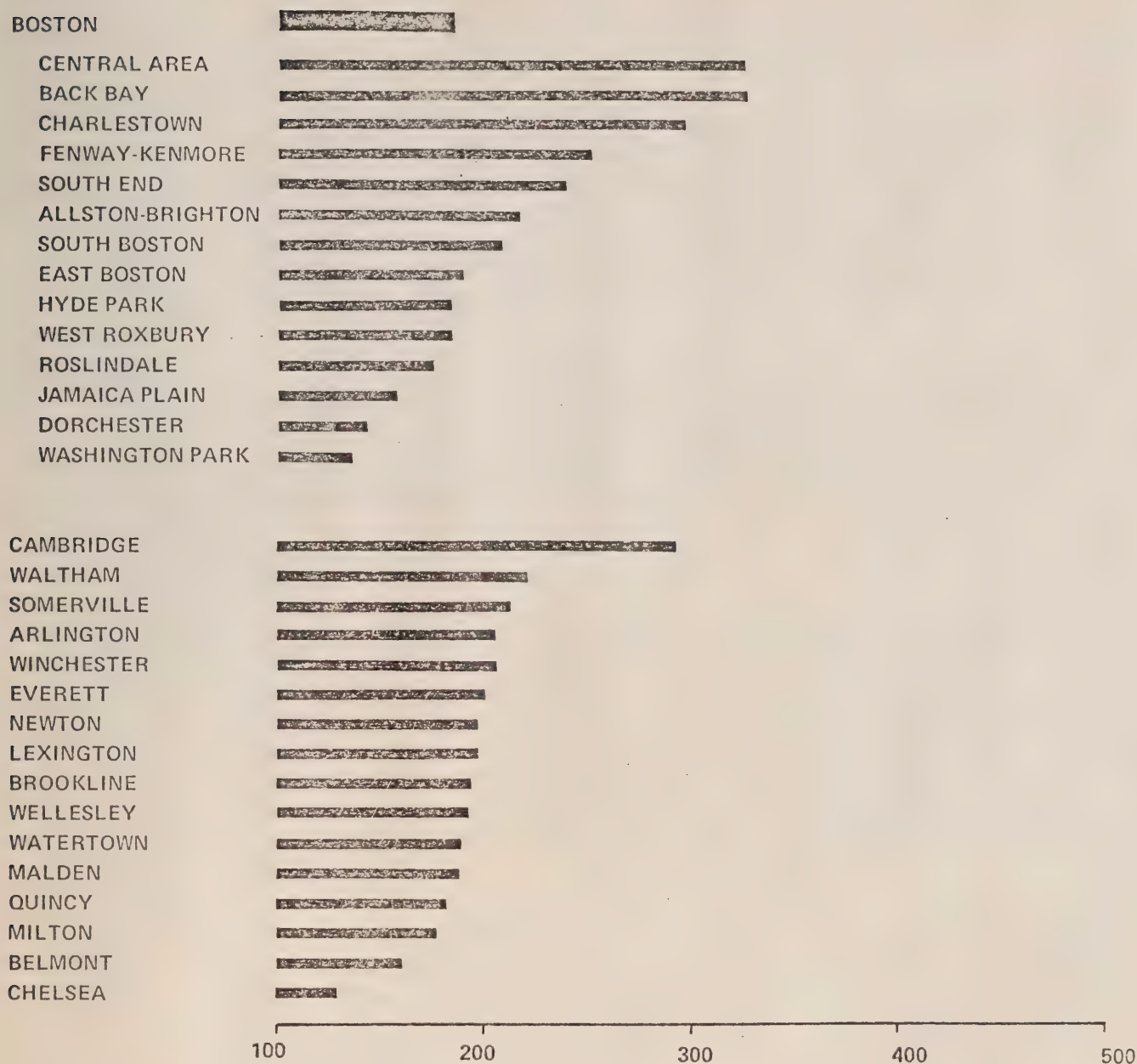
\* No Change

SOURCE: Boston Redevelopment Authority, Research Department



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**RESIDENTIAL PROPERTY VALUE CHANGES  
IN THE CITY OF BOSTON AND IN SELECTED  
CITIES AND TOWNS OF THE METROPOLITAN AREA  
1955 TO 1970**



**INDICES OF RESIDENTIAL PROPERTY VALUE**  
1955 = 100

**SOURCE:** Indices prepared by Boston Redevelopment Authority, Research Dept., and M.I.T. Economics Dept., based on information of the Metropolitan Mortgage Bureau.





#### D. Public Facilities

Following long years of neglect, there was the beginning of a recovery in public capital improvements as the City began to build schools again. Public facilities expenditures rose significantly with the construction of libraries, police and fire stations, and the improvement of parks and streets.

New advances will be required in reducing the large backlog of aging and obsolescent public facilities. New progress will be needed to improve urban amenities and the conditions of life in Boston through upgraded public services and facilities.

#### E. Tax Reform

Tax reform is urgently needed to replace the present archaic state and local tax structure. Under the present system, the State government siphons income and sales revenue generated in Boston without returning an adequate level of state aid. Boston is forced to rely increasingly on the property tax which affects poorer households disproportionately, and inhibits housing upgrading and new construction.

An innovative proposal of the State Legislature's Master Tax Plan Commission, issued a year ago, would reduce the role of the property tax by one-fourth, by raising other, more equitable taxes. Tax reform, however, must be coupled with an adequate level and fair formula for distribution of State aid to cities and towns in accordance with need.

The Master Tax Plan Commission has reached no decisions on the introduction of tax reform legislation early in the coming year. There is the danger that inordinate delay may preclude action on tax reform by the Legislature in 1972.

Boston is working with other cities and towns encourage tax reform action by the Legislature in 1972.

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Major currents are underway at the Federal and State level to reduce the reliance of the City on its property tax base. It would be shortsighted to disembowel Boston's urban development effort by withholding the use of tax incentive devices.

III. Adequacy of Established Instruments and Procedures for Reviewing Housing Development Policies, Plans and Measures

There is an elaborate complex of established instruments and procedures for reviewing housing development policies, plans, and measures. This system is presently in process of further improvement.

There are the housing development policy goals of the Mayor.

There are the planning role of the City and the zoning function carried out by the BRA.

There is the Master Plan which is now being updated.

There are the Federal and State requirements and review procedures.

There is the coordinating committee now being established in the Mayor's office.

This system of review procedures will serve to assure that all efforts in low- and moderate-income housing will be coordinated with the City's priorities.



















